weekly economic review

October 5, 2012

Labour Force Survey

Lowest unemployment rate in Canada

Alberta's unemployment rate remained the lowest in Canada at 4.4% as the province added 2,100 jobs in September. Job gains were highest in transportation and warehousing (8,100) and public administration services (4,600). Alberta has added 37,400 jobs since September 2011 (+1.8%). Alberta's average hourly wage increased 6.5% year-over-year to $27.39.

Nationally, the economy added 52,100 jobs in September, the largest gain in five months. Ontario (31,100) and Quebec (10,600) led all provinces, while Saskatchewan (-3,600) posted the largest loss. Despite the job gains, the national unemployment rate increased to 7.4% in September due to an increase in the number of people looking for work.

Building Permits

Strong gain in building permits

The total value of building permits, an indicator of future construction activity, jumped to the highest level in three months in August. Following two consecutive monthly decreases, building permits increased to $1.3 billion in August, up an impressive 17.9% over July and 7.4% over the same month last year. The overall gain was driven by an increase in residential permits, which more than offset a drop in non-residential permits. Year-to-date, non-residential building permits have increased 6.0% and residential permits by 19.7%.

Nationally, August building permits rose 7.9% over July, and are up 22.0% over August 2011.

Ivey Purchasing Managers Index (PMI)

Early indicator suggests continued expansion in Canada

Canada's PMI for September was 60.4, down from 62.5 in August. September was the third consecutive month with a PMI value over 50. A value over 50 indicates that executives believe that purchases for the current month will be greater than the previous month.

RMPI & IPPI

Metals lead price decline

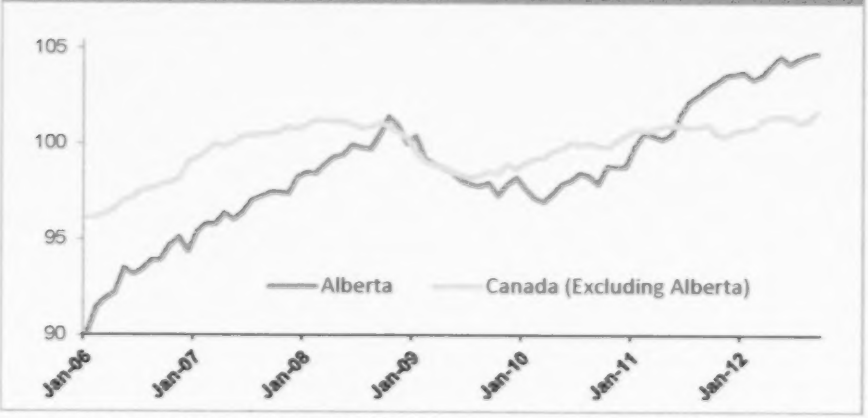
The Industrial Product Price Index (IPPI) declined for the fourth consecutive month in August, down 0.1% over July. Primary metal product prices declined the most, down 10.7% over August 2011. Metal prices have also been putting downward pressure on the Raw Materials Price Index (RMPI). The overall RMPI is down 4.0%, largely due to a 13.6% drop in non-ferrous metals. The price of mineral fuels, which includes crude oil, jumped by 9.1% in August over July

US Labour Market

Unemployment rate hits lowest level since January 2009

The US unemployment rate fell by 0.3 percentage points to 7.8% in September. The lower rate reflects an increase in civilian employment of 873,000 jobs. The estimates for job gains from the Household Survey stand in contrast with the more reliable Establishment Survey, which estimates a modest increase of 114,000 in nonfarm payroll jobs. July and August payroll job gains were revised up by a combined +86,000. Even with the revisions, all three months are below the average gains so far for 2012 (+146,000) and well below the average for 2011 (+153,000).

Employment (Index: 2008 Q3 = 100)*



Source: Statistics Canada; * Indexed to 2008Q3 to coincide with the start of Canada's recession

Closing Prices	September 20, 2012	October 5,2012	2012-13 Fiscal YTD
Canadian Dollar (US¢/$CAN)	101.50	101.51	99.79
WTI Oil ($US/bbl)	$91.65	$90.71	$92.73
NYMEX Natural Gas ($US/MMBtu)	$3.30	$3.41	$2.68

Alberta Economic Indicators[1]

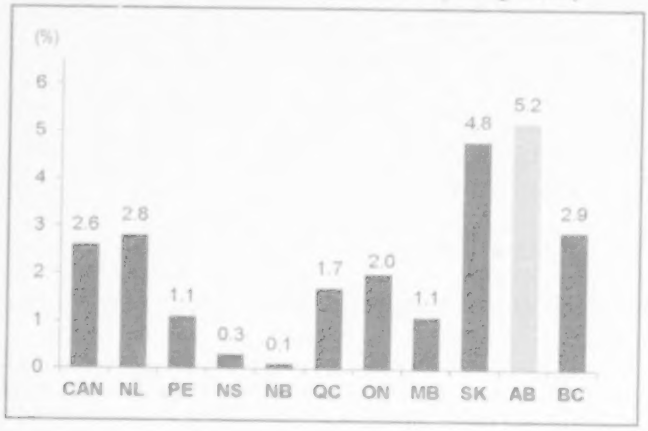
Population	2010	2011	2012YTD	Apr	May	Jun	Jul	Aug	Sep
Population[2] ('000)	3,724	3,778	3,874	3,843			3,874		
% change	1.4	1.5	2.5	2.3			2.5		
Net International Migration[3] (net)	3,071	8,443	26,170	11,731			8,544		
Net Interprovincial Migration[3] (net)	24,100	16,705	37,980	17,003			14,546		
Net Non-permanent Residents[3] (net)	14	7,604	3,721	2,440			5,344		
Labour Market									
NEW: Employment ('000)[4]	2,018	2,096	2,144	2,143	2,150	2,144	2,150	2,154	2,176
% change	0.4	3.8	2.9	3.8	4.3	3.7	3.2	3.1	1.8
NEW: Unemployment Rate (%)[4]	6.5	5.5	4.7	4.9	4.5	4.6	4.6	4.4	4.4
NEW: Participation Rate (%)[4]	72.9	73.7	73.6	73.9	73.7	73.5	73.4	73.5	73.1
Average Weekly Earnings ($)[5]	993.28	1,038.69	1,063.15	1,058.84	1056.07	1,066.06	1,064.86		
% change	4.6	4.6	3.1	2.7	1.7	3.9	6.1		
Price Indices									
Consumer Price Index	1.0	2.4	1.4	0.9	0.4	1.3	0.5	1.0	
Excluding food and energy	0.7	0.8	1.5	2.1	1.5	1.6	1.4	1.4	
Non-Res. Building Const. Price Index[6]	-0.1	3.4	4.3	..		4.1			
Farm Product Price Index	1.5	17.2	4.7	1.6	4.4	4.7			
Crops	-9.7	18.5	1.6	1.3	3.5	1.4			
Livestock	8.7	17.2	7.2	1.9	4.7	7.7			
Household Sector									
Housing Starts (CMHC) ('000)	26.9	26.5	32.5	39.7	33.8	31.8	31.4	27.7	
% change	34.8	-1.2	36.8	19.6	33.9	43.2	29.1	-12.9	
New Housing Price Index[6]	0.5	0.4	0.9	1.2	1.0	1.2	1.5		
Edmonton	0.8	0.9	0.9	1.2	1.1	0.8	0.8		
Calgary	1.8	-0.1	1.0	0.9	0.8	1.7	2.3		
MLS Average Resale Prices ($ '000)[7]	350.9	352.7	389.7	382.0	388.5	393.5	393.1	393.2	
% change	3.1	0.5	1.9	1.3	3.0	2.7	3.2	3.4	
Edmonton ($ '000)	326.5	324.2	382.6	367.3	376.7	382.2	381.8	384.6	
% change	2.3	-0.7	2.9	3.5	4.0	3.7	1.2	3.1	
Calgary ($ '000)	397.4	401.9	406.3	408.0	413.5	410.2	411.5	409.6	
% change	3.4	1.1	0.9	1.3	2.4	2.3	3.1	1.8	
Retail Sales	6.0	6.9	9.0	7.8	8.6	9.1	9.2	..	
New Motor Vehicle Sales	9.5	9.6	12.9	11.1	22.6	5.6	10.3		
Consumer Bankruptcies (net)[8]	8,150	7,029	3,629	527	515	384	489		
% change	-18.4	-13.8	-16.9	-18.5	-16.5	-25.4	9.4		
Business Sector									
Rig Drilling (net)	207	286	246	141	89	130	198	223	259
% change	61.3	37.9	8.4	14.4	4.5	-2.3	17.5	30.9	23.7
Goods Export, Customs Based	12.6	18.5	9.2	17.8	1.6	0.1	..	..	..
Energy	17.4	19.4	17.0	24.2	2.4	1.6	..	..	..
Agriculture	-14.3	21.4	16.4	16.3	10.2	0.2	..	..	..
Total Farm Cash Receipts (quarterly)	-9.7	16.3	28.3	..	..	..	..	..	..
Manufacturing Shipments	11.3	18.0	10.6	4.5	7.1	5.2	1.4	..	..
Wholesale Trade	8.5	15.0	15.3	20.0	17	10.4	15.5	..	..
NEW: Building Permits	1.3	11.8	13.4	49.5	20.2	19.3	0.1	2.4	..
Residential	-22.4	-5.2	19.7	2.6	27.0	14.6	1.2	26.9	..
Non-residential	18.3	20.9	6.0	118.5	13.2	11.5	-1.6	-14.3	..
Business Bankruptcies (net)	378	264	150	20	29	22	16	..	..
% change	6.7	-30.2	1.4	17.6	-7.9	37.5	0.7	..	..

YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year.
Unless otherwise indicated, all figures are year-over-year percentage change.
[1] Quarterly, annual numbers are presented on a calendar year basis (July 1 – June 30).
[2] Quarterly average of Calgary and Edmonton.
[3] Average of Calgary and Edmonton.

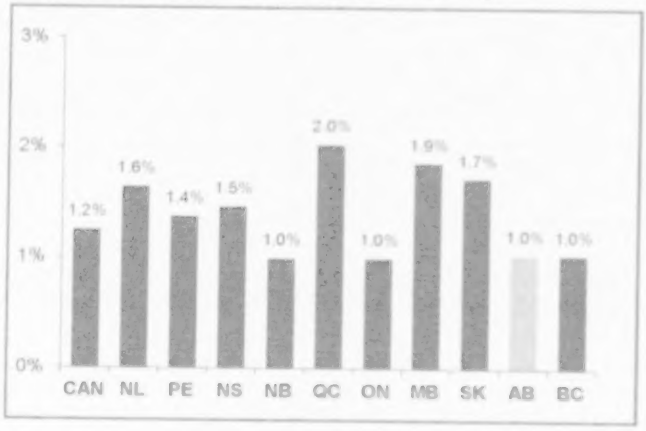
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors), and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

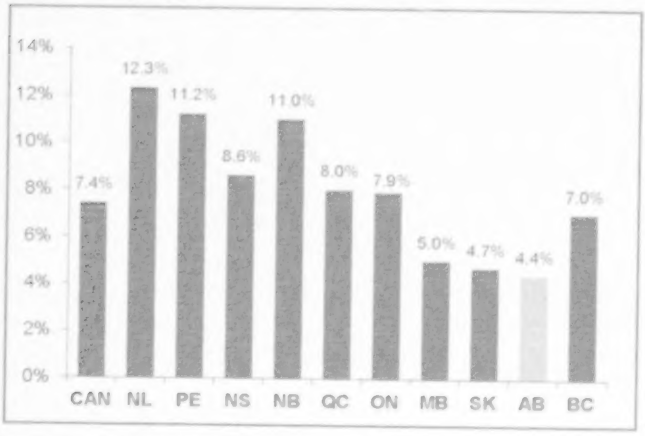
Real GDP Growth by Industry
(2011 preliminary estimates, year-over-year growth)



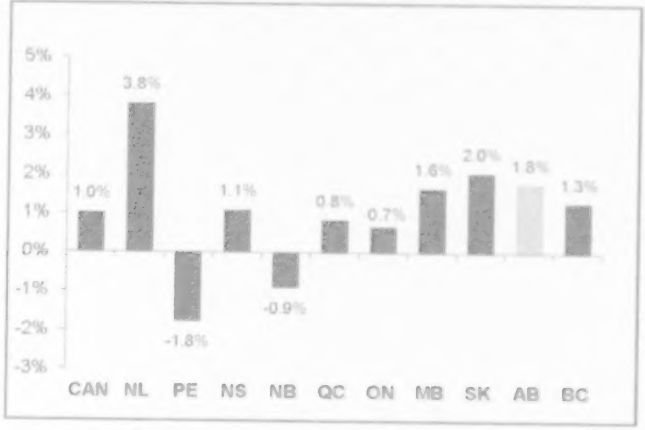
CPI Inflation
(August 2012, year-over-year growth in CPI)



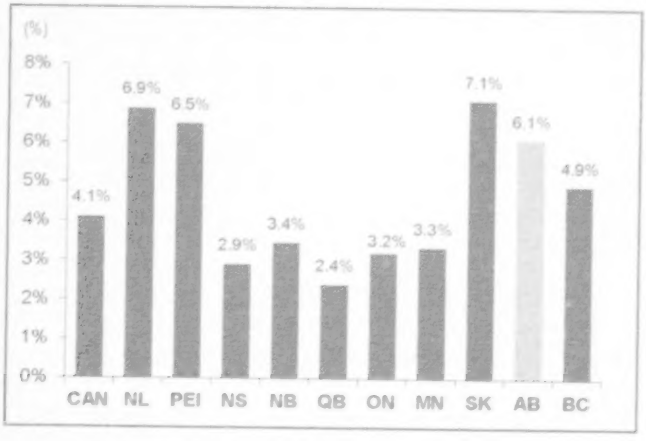
Unemployment Rate
(September 2012)



Employment
(September 2012, year-over-year growth)



Average Weekly Earnings
(July 2012, year-over-year growth)



Housing Starts
(August 2012, SAAR, year-over-year growth)